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C O N F I D E N T I A L THE HAGUE 000264

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E.O. 12958: DECL: 04/22/2019
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SUBJECT: NETHERLANDS/JSF FLYING INTO THE PERFECT STORM

REF: A. 08 HAGUE 468
[1](#)B. 07 HAGUE 714
[1](#)C. 07 HAGUE 247

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[1](#)D. 07 HAGUE 063

Classified By: Charge d'Affairs Michael Gallagher for reasons 1.4 (b,d)

[1](#)1. (C) Summary: The philosophical opposition of Labor Party members, the economic crisis, and unfavorable U.S. reports have brought Dutch support of the Joint Strike Fighter (JSF) Program to the political breaking point. Parliament is in a stalemate as it goes into a second day of emotionally charged debates. The future of Dutch JSF participation -- and the survival of the ruling coalition -- hangs in the balance. Post believes the coalition will survive, but any procurement of JSF test planes will come with a political cost. End Summary.

Labor Party views:

[1](#)2. (SBU) The Labor Party (PvdA) as a major coalition partner in the Dutch government has faced considerable pressure from the rank-and-file to oppose the JSF from the very beginning of the coalition (reftels B and C). The PvdA has always been philosophically opposed to being a partner in the development of the JSF. However, in 2006, party leaders were convinced during the formation of the coalition that they had to agree to a decision timeline on JSF in order to be a part of the coalition government. The coalition accord states "The Memorandum of Understanding on the JSF test planes will be signed in 2007. In 2008 the business case will be reviewed before decision-making takes place in 2009 on signing the

contract for the definite procurement of test planes. On the basis of the review and of comparison on price, quality, and term of delivery with possible other aircraft, the cabinet will present a decision to parliament in 2010 on the replacement of the F-16." Under pressure from PvdA leader and Finance Minister Wouter Bos and PvdA floorleader Mariette Hamer, the PvdA congress on March 15 refrained from adopting resolutions on JSF and budget cuts. Hamer urged the congress to give the party leadership room to negotiate. At that time 83% of the PvdA rank and file opposed the purchase of the test aircraft.

Economic crisis:

¶3. (SBU) The economic crisis has given a platform for the PvdA to rally against what is perceived as a costly program at a time where the funds should be used for critical services or offsetting the effects of the crisis. The handling of the crisis by PvdA party leader Bos has given him and the party a credibility that they can use for a political advantage. Bos did not disagree in March with a poll that showed that 84% of those interviewed believed that postponing the procurement of the JSF would be a good measure.

Mixed U.S. signals:

¶4. (SBU) Adding to the complexities of the decision has been the mixed signals coming from various sectors within the U.S. Perhaps most often referred to by the PvdA has been the Government Accounting Office (GAO) reports that have been extremely critical of the JSF. This was compounded on a recent trip when a GAO official noted that it would be too risky to proceed with buying JSF aircraft. The uncertainty of the U.S. defense budget for the JSF and the subsequent impact on the overall cost of the program is also a concern to members of Parliament. This is the first time the Dutch have been in a major equipment development program vice an off-the-shelf purchase. The PvdA and opposition parties have Qoff-the-shelf purchase. The PvdA and opposition parties have been extremely critical at every stage of the business plan and have focused on each and every negative report or comment from any source, credible or not. The extensive number of articles clearly critical of the JSF from U.S. sources, specifically Winslow Wheeler and Pierre Sprey, continue to add fuel to the argument against the JSF program.

Next steps:

¶5. (SBU) Parliament will continue to debate JSF tonight. The Socialist Party will reportedly introduce a resolution calling on the government to end participation in JSF, and a majority of parliament appears ready to support that resolution. The cabinet will then consider, but is not bound by, the resolution. If the cabinet opposes the resolution and decides to proceed with the JSF test plane purchase, in effect disregarding parliament, opposition parties are then likely to propose a vote of no confidence. These decisions and votes could take place today, ahead of parliament's recess, or could require the parliament to reconvene on Tuesday, April 28.

PvdA dilemma and prospects for a compromise:

¶6. (SBU) If/if there is a no confidence measure. PvdA members will face a difficult choice. If they oppose the no confidence measure, they undermine their opposition to JSF. If they support the no confidence measure, they bring down the government. With low numbers in the polls, PvdA would expect to lose seats and perhaps any role in a future coalition government. The largest coalition party, PM Balkenende, s Christian Democrats (CDA), also faces potential losses in an election. Despite these incentives for compromise, PvdA leaders have left themselves little room to change position, stating they will not support the purchase. They insist that it is premature to commit to JSF and that purchasing of the test aircraft de facto implies a decision in favor of buying JSF in the future. In addition, PvdA has seen a number of other political losses during their participation in the coalition government, including decisions on the Afghanistan deployment, the EU referendum, and road taxes. Nonetheless, PvdA leader Marriet Hamer has said this issue is not worth a cabinet crisis.

Comment:

17. (C) COMMENT: The Parliamentary debate on the JSF is more about politics than it is about the merits of the program. The coalition will most likely survive this brinkmanship by the PvdA and the Christian Democrats (CDA) - the potential losses at the polls are too great -- but the storm will have damaged the credibility of both parties. The Dutch JSF program will continue to have fierce opponents, but ultimately the Dutch will probably purchase at least one test aircraft to remain a participant in the JSF program. The political damage and subsequent impact on next year's decision for the purchase of operational aircraft remains to be seen. END COMMENT.
GALLAGHER